NOMINATION

HEARING

BEFORE THE

COMMITTEE ON LABOR AND HUMAN RESOURCES UNITED STATES SENATE

NINETY-SEVENTH CONGRESS

FIRST SESSION

ON

FRANCIS S. M. HODSOLL, OF VIRGINIA, TO BE CHAIRMAN OF THE NATIONAL ENDOWMENT FOR THE ARTS

NOVEMBER 6, 1981

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NOMINATION

FRIDAY, NOVEMBER 6, 1981

U.S. SENATE,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, D.C.

The committee met, pursuant to notice, at 11 a.m., in room 5110, Dirksen Senate Office Building, Senator Robert T. Stafford (acting chairman) presiding pro tempore.

Present: Senators Stafford and Pell.

OPENING STATEMENT OF SENATOR STAFFORD

Senator STAFFORD. The Committee on Labor and Human Resources will please come to order.

This is a really a meeting of the Subcommittee on Education, Art and Humanities but it is on behalf of the full committee. I am pleased on behalf of the chairman of the full committee, Senator Hatch, to be chairing this meeting of the committee to consider the President's nomination of Francis S. M. Hodsoll to be Chairman of the National Endowment for the Arts. I am very happy that my colleague and dear personal friend, Claiborne Pell, the ranking minority member, is here with me.

As chairman of the Subcomittee on Education, Art and Humanities, which has jurisdiction over legislation authorizing the Endowment, I have an abiding interest in the future direction of the Federal role in the arts. The National Endowment for the Arts, which represents only a small proportion of the total support for artists and arts institutions, is nevertheless a critically important Federal enterprise, one which since its inception in 1965 has catalyzed millions of dollars of support from the private sector. Its system of peer review has been emulated by the State art agencies the Endowment has fostered.

I recognize that earlier this year, due to proposed budget cuts, there was concern expressed over the future existence of the Endowment. Although the actual level of funding has not yet been finally determined, I believe that the President's recent statement endorsing the two Endowments and his designation of Mr. Hodsoll to head the National Endowment for the Arts augur well for those of us like Claiborne Pell and myself—and, incidentally, Senator Pell is one of the original founders of the Endowments—we who believe that a continued Federal role is not only warranted but necessary.

We have before us a most distinguished nominee. Mr. Hodsoll's wide-ranging experience in the Federal Government, his highly respected capacity for administration, and his current proximity to the Oval Office will serve him well as Chairman of the National

Endowment for the Arts. I look forward to his testimony and to a close relationship during his tenture as Chairman.

Senator Pell, do you have an opening statement?

Opening Statement of Senator Pell

Senator Pell. I do, Mr. Chairman. Thank you very much indeed for scheduling this hearing, giving us the opportunity to be here, and thank you for your leadership and help in connection with so many things to do with education, arts, and humanities.

I join in welcoming Mr. Hodsoll. Senator Kennedy, our ranking minority member in the full committee, regrettably could not be here but is most appreciative of the prompt return of the answers to his questions which I have had an opportunity to review.

I have been fortunate to have had a number of conversations with Mr. Hodsoll since his nomination to the chairmanship, and I must say I have a high regard for his administrative abilities and am impressed by his candor and his enthusiasm for the job that lies ahead of him. There is no question in my mind but that he will handle his responsibilities as Chairman with insight and skill.

There are two points, however, which I believe are particularly important to discuss in this forum today. The first has to do with the immediate future of the Endowment itself, and here I speak as the only remaining survivor in the Congress who was closely involved with the original establishment of the Endowments. I am particularly interested in wanting to see the Endowments strong and vital.

When the administration announced its budget plans earlier this year, I was alarmed over the proposed 50 percent reduction in funding. As those of us familiar with the arts know only too well, there is a delicate balance between success and failure, and I feared that the President's recommendations would tip that balance in a most adverse direction.

Federal support over the last 15 years has become the key catalyst that has kept our cultural community strong and healthy. Never, however, has it been assumed that the Federal Government would be either the sole or even the major source of support for the arts. In fact, the fundamental concept in our original enabling legislation was that private initiative should always be the primary source of support.

Despite this, the Federal Government has an important role to play in providing critical support to the arts. Here I realize how the new administration, when it first examined the question, felt that Federal giving diminished corporate or private giving. However, when the statistics were examined it was discovered that just the opposite had occurred, and that the corporate giving of 1965 was a great deal less.

The action taken by the House-Senate conferees 2 days ago on the Endowment's 1982 appropriation is tremendously encouraging. It is partly a repudiation of the "meat-axe" approach taken by the administration, and partly a strong signal that the arts continue to have impressive bipartisan support, which has been our tradition in the Congress.

Congressman Yates and Senator McClure deserve our thanks for a job well done. My hope is that Mr. Hodsoll will not only occupy

the chair belonging to the Nation's leading arts advocate but rapidly become the leading advocate himself. I think "turf" can have a very contagious effect in this regard. [Laughter.]

I look forward to an increasing budgetary enthusiasm on your part as the years move along.

Second, I want to say how important I believe it is for you to bring on your staff a corps of experienced arts professionals. Your own experience is indeed impressive, and I have every confidence in you, but you know and we know that the arts are not particularly conspicuous.

For this reason, I urge you to seek out the finest talent in the arts you can find. I know that there will have to be a certain turnover. You have the 5-year rule which Chairman Biddle instituted, I think very correctly, under which program directors are rotated out after 5 years in the job. I think that was a good policy under the Democrats and expect it to be an equally good program under the Republicans. I think we should maintain the role.

I would also add that you will be filling very big shoes. I am thinking here particularly of the present Chairman, Livingston Biddle, who helped me in drawing up the original arts and humanities legislation and who has, in my opinion, done a superb job as Chairman. I wish you the same good luck in navigating the pitfalls of Washington and hope you do as well as he and his predecessors, Nancy Hanks and Roger Stevens.

Senator STAFFORD. Thank you very much, Senator Pell.

For the committee, we are very pleased that our good friend and the most able and distinguished Senator from Wyoming is here to introduce Mr. Hodsoll.

Therefore, we welcome you to make introductory remarks, Senator Alan Simpson of Wyoming.

STATEMENT OF HON. ALAN K. SIMPSON, A U.S. SENATOR FROM THE STATE OF WYOMING

Senator SIMPSON. Thank you, Mr. Chairman. I have always enjoyed my service with you on the Environment and Public Works Committee. We serve together also on the Veterans' Affairs Committee. I am privileged to be here and just have a few moments of remarks before you and Senator Pell.

I am very pleased to present Mr. Frank Hodsoll to the Senate Committee on Labor and Human Resources. I came to know and to admire Mr. Hodsoll in the course of his leadership role for the expression of the White House views on the President's Task Force on Immigration and Refugee Policy. I happen to chair the Subcommittee on Immigration and Refugee Policy, which is a fascinating adventure, I might add. In my part of the country we refer to it as being rougher than a bootfull of barbed wire. [Laughter.]

I can personally attest, though, to the fact that there are few issues as complex and confounding as comprehensive immigration reform. Frank Hodsoll exhibited a tremendous enthusiasm and a remarkable ability to sift through these difficult policy areas, and he contributed greatly to indicating to the Reagan administration the sense of urgency in developing these badly needed policies in immigration.

Mr. Hodsoll has proven to me, as I have personally worked with him, to be most effective in seeing that the various Federal agencies involved with immigration were working together. He has also proven most responsive to the very myriad of private and public constituencies having strong interests in those issues. He has been most cooperative with Members of Congress and the members of the Judiciary Committee in consulting with us in the legislative branch and rendering very patient assistance whenever possible. Therefore, I commend him to you.

I am one who also has had a great interest in the arts over the years. I serve on the board of that institution in Cody, Wyo.—the land of high altitude and low multitude—known as the Buffalo Bill Historical Center, which consists of the Whitney Gallery of Western Art, the North American Plains Indian Museum, the Winchester Collection, rather outstanding, some $50 million worth of art and physical plant. I am sure that many of you know of it. I also serve here in Washington on various boards and councils of interest to me.

I, too, just briefly want to commend his predecessor, Liv Biddle, who I came to know here. He and his wife, Katerina, have been very fine dual representatives of our country in this field.

Therefore, I introduce and heartily commend to you Frank Hodsoll, who will be leaving the field of immigration and refugee issues, but I am extremely confident that he will again prove to be a tremendous asset to this administration as he undertakes these new duties as Chairman of the National Endowment for the Arts.

It is a privilege to be here and I thank you for your courtesy.

Senator STAFFORD. Thank you very much, Senator. We really appreciate your coming in here and introducing Mr. Hodsoll to the committee.

You have cleared up one speculation that this Senator was thinking about and that was, we thought maybe you first met the nominee when you found him trying to get out of a snowbank in Jackson, Wyo., but I guess that is not so.

Senator SIMPSON. People stay there until spring. [Laughter.]

Senator STAFFORD. Well, Senator, we know you might have other engagements. We would be delighted to have you stay or not as your timetable indicates.

Senator SIMPSON. Thank you, Mr. Chairman.

Senator STAFFORD. Now, Mr. Hodsoll, we would be very pleased to hear from you.

STATEMENT OF FRANCIS S. M. HODSOLL, NOMINATED TO BE CHAIRMAN, NATIONAL ENDOWMENT FOR THE ARTS

Mr. HODSOLL. Thank you very much, Mr. Chairman and Senator Pell.

Thank you, Al, for introducing me in such a nice way.

I also appreciate the kind words that were offered from the committee. Perhaps before going into my statement, I might just also add my own encomiums to those already expressed here with regard to Livingston Biddle, who has been in the National Endowment business from the beginning, as Senator Pell was.

If I may, Mr. Chairman, let me start by thanking you and other members of the committee for allowing me to appear before you on

such short notice. I know this is a busy time in the Senate with the appropriations bills making their way. I very much appreciate your willingness to review my qualifications for this job prior to the next meeting of the National Council on the Arts.

I am honored to be here. The President is personally interested in the arts. We discussed the contributions and needs of the arts when he considered my candidacy and I only hope that, with your approval, I can justify both his, and hopefully your, confidence in me.

While I have been in Federal service on and off for over 16 years, this is my first confirmation hearing. I was not quite sure as to how I should proceed, but it seemed to me that perhaps I might usefully set out first why I want to serve as Chairman; second, my views, presumptuous as those may be, of my qualifications; and finally, some of the more important issues that I believe the Endowment should address in the next 4 years.

First, with regard to my own interests: I believe the arts are vitally important to our society. As the President has said on more than one occasion, "Nations are more often than not remembered for their art and thought." Quoting Henry James, he also said, "It is art that makes life, makes interest, makes importance * * * and I know of no substitute whatever for the core and beauty of its process."

I personally fully subscribe to NEA's purpose: To encourage, first, works of substantial artistic and cultural significance, giving emphasis to American creativity, cultural diversity—that was added to the language of the statute just last year—professional excellence; second, to encourage works of significant merit which would not otherwise be available; third, to encourage individual artists in achieving excellence and wider distribution of their works; and, finally, to encourage citizen appreciation and enjoyment of the arts. These are different purposes. They were put in there with care, and I subscribe to them.

I can think of few tasks more stimulating or potentially rewarding than to serve in this area, to build upon the past efforts of the Endowment and hopefully have a role in moving the country forward culturally. To lend a helping hand to those who would chart new artistic ground or preserve our heritage—and those are two different objectives—would be an honor. With this President and First Lady we have, I think, perhaps unique opportunities. I should underscore that because the First Lady is also personally interested in the arts.

With regard to my qualifications, I think I would bring to this job a wide range of Federal and private experience. I am a policy manager and administrator. I have had experience in working with Congress. I have also had a degree of involvement, I should say substantial involvement, in assisting the establishment and operation of the President's Task Force on the Arts and Humanities which presented its report last month. David Morse, who I see sitting up there, was its very able Executive Director.

It seems to me that in a time of budget and other constraints NEA needs a Chairman that can, first, organize an assessment of the state of the arts, discipline by discipline; second, develop an understanding of where additional private support might be forth-

coming and conversely where it might not be forthcoming; third, analyze the respective capacities of Federal, State, local, and private entities with arts-related programs, and then on the basis of this analysis, hopefully manage NEA's programs to meet specified priorities.

The principal criteria in my view should be encouragement of artistic excellence and of the general availability of art to Americans everywhere. We also need, though, to assure that the Federal mechanism, that is, the NEA itself—and I might add here, other Federal programs—are maximally effective with the funds that are available to them in administering their programs. I believe I could contribute here.

Finally, it seems to me we need to consider a variety of issues as we proceed with the Endowment's work.

First, what elements in society contribute to, or conversely impede, flourishing of the arts? I have often thought it would be useful to analyze in this respect periods of the past that are historically recognized now as culturally significant. What contributed to Periclean Athens? What impediments have caused problems with achieving artistic significance in the past?

Second, how might these elements vary by artistic discipline and by institution?

Third, how best can we raise artistic consciousness and increase the availability of art? In an age of television this is particularly important.

Fourth, what mechanism or mechanisms are most effective in meeting different needs? For example, what can best be done at the national level and what can best be done at State and local levels? I think perhaps we need to reassess here, and the President's Task Force, I might add, also thought there was a need for reassessment in this area.

Fifth, how do you go about inducing additional private support for the arts, particularly local support? I know that a number of questions have been asked of me in this respect, since the President's position is based largely on the raising of private support. In this regard, are special techniques needed to overcome possibly negative impacts of the new tax law? How can we as a society better recognize significant giving? What role should the NEA play in this, what role the President, what role Governors, what role corporation executives?

Sixth, how can we reduce overlap and clarify the focus of existing Federal programs? Should we, for example, emphasize presenters or discipline institutions or individuals?

Finally, how do we maximize the proportion of support going to artists in relation to the proportion of support going to administration and intermediaries? In past jobs that I have had in the Federal Government, I have often noted the fact that an awful lot of the money that is doled out here in Washington goes to an array of professionals who then administer services to others, and I have often wondered whether or not we could reduce this proportion. We should review NEA's administrative procedures, I think, in this respect.

These are some of the issues which I think important. By dealing with these issues, I think we will have a better idea of both the

role and the needed level of Federal support. If, as many argue, the principal role of NEA is to confer a stamp of approval, then the actual amount of support in relation to private support may be less important.

It is also clear that reduced inflation and an improved economy will help the arts along with other sectors of the economy. I am not trying to be argumentative; I am simply raising the issue for your consideration.

Let me conclude by saying that I would welcome the Senate's confirmation. I am committed to both artistic excellence and availability, and I would like the chance to help in this area.

I am, of course, now open to your questions.

[The prepared statement and biographical sketch of Mr. Hodsoll follow:]

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PREPARED STATEMENT

of

FRANK HODSOLL

NOMINEE FOR CHAIRMAN OF THE

NATIONAL ENDOWMENT FOR THE ARTS

before the

COMMITTEE ON HUMAN RESOURCES AND LABOR

of the

U.S. SENATE

NOVEMBER 6, 1981

Mr. Chairman.

I want to thank you and other members of the Committee for allowing me to appear before you on such short notice. I know this is a busy time in the Senate. I very much appreciate your willingness to review my qualifications as the President's nominee for Chairman of the National Endowment for the Arts prior to the next meeting of the National Council on the Arts.

I am honored to be here. The President is personally interested in the arts. We discussed the contributions and needs of the arts when he considered my candidacy. I only hope, with your approval, I can justify his, and hopefully your, confidence in me.

While I have been in Federal service on and off for over 16 years, this is my first confirmation hearing. It seems to me this Statement might usefully set out:

(1) Why I want to serve as Chairman.

(2) My qualifications.

(3) The more important issues I believe the Endowment should address in the next four years.

1. Why I want to Serve

The arts are vitally important. As the President has said, "nations are more often than not remembered for their art and thought." Quoting Henry James -- "It is art that makes life, makes interest, makes importance...and I know of no substitute whatever for the core and beauty of its process."

I fully subscribe to NEA's purpose -- to encourage:

-- works of substantial artistic and cultural significance, giving emphasis to American creativity and professional excellence;

-- works of significant merit which would not otherwise be available;

-- artists achieving excellence and wider distribution of their works; and

-- citizen appreciation and enjoyment of the arts.

I can think of few tasks more stimulating, or potentially rewarding, than to serve in this area--to build on past efforts and hopefully have a role in moving the country forward culturally. To lend a helping hand to those who would chart new artistic ground or preserve our heritage would be an honor. With the President and First Lady's personal interest, we have, I think, unique opportunities.

2. My Qualifications

I would, I think, bring to this job a wide range of Federal and private experience and a long history of interest in the arts. At the risk of being presumptuous, I believe I have good judgment, the capacity to master new areas quickly, and the capacity to chart a course and then achieve results. My rather peripatetic vita, which is before this Committee, should testify to this.

I am a policy manager and administrator, if not an arts administrator. I also have experience in working with the Congress. More specifically, in the arts and humanities area, I believe I was useful in assisting the establishment and operation of the President's Task Force which presented its report last month.

It seems to me that, in a time of budget and other constraints, NEA needs a chairman who can (i) organize an assessment of the state of the arts (discipline by discipline); (ii) develop an understanding of where additional private support might be forthcoming (and where it might not be forthcoming); (iii) analyze the respective capacities of federal, state, local and private agencies with arts related

programs; and then (iv) on the basis of this analysis manage NEA's programs to meet priorities. The principal criteria should be encouragement of artistic excellence and of the general availability of art to Americans everywhere. We also need to assure that the Federal mechanism, the NEA itself, is maximally effective in administering its programs.

I believe my skills and background can serve American art and NEA well in this effort.

3. Issues

On issues, it seems to me we need to consider:

-- What elements in society contribute to, or conversely impede, flourishing of the arts. (It will be useful to analyze in this respect periods that are historically recognized as culturally significant.)

-- How these elements vary by artistic discipline and institution.

-- How best to raise artistic consciousness and increase the availability of art.

-- What mechanism(s) are most effective in meeting different needs? (For example, what can best be done at the national level; what at the state and local levels?)

-- How to induce additional private support for the arts, particularly locally. (Are special techniques needed to overcome possibly negative impacts of the new tax law? How can we (as a society) better recognize significant giving? What role can NEA play; what role the President?)

-- How to reduce overlap, and clarify the focus, of existing Federal programs. (Should we, for example, emphasize presenters or discipline institutions or individuals?)

-- How to maximize the proportion of support going to artists in relation to administration and intermediaries. (We should review NEA's administrative procedures in this respect.)

These are some of the issues which I think important. By dealing with these issues, we will have a better idea of both the role and needed level of Federal support. If, as many argue, the principal role of NEA is to confer a stamp of approval, then the actual amount of support in relation to private support may be less important. It is also clear that reduced inflation and an improved economy will help the arts along with other sectors of the economy. I am not trying to be argumentative here. I am simply raising the issue.

* * * * * * * * * *

Let me conclude by saying I would welcome the Senate's confirmation. I am committed to artistic excellence and availability. I would like the chance to help in this area.

I would be happy now to answer any questions you might have.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

PART I: ALL THE INFORMATION IN THIS PART WILL BE MADE PUBLIC

Name: HODSOLL (LAST) FRANCIS (FIRST) SAMUEL MONAISE (OTHER)

Position to which nominated: CHAIRMAN NATIONAL ENDOWMENT FOR ~~THE ARTS~~ Date of nomination: OCTOBER 19, 1981

Date of birth: 1 (DAY) MAY (MONTH) 1938 (YEAR) Place of birth: LOS ANGELES, CALIFORNIA

Marital status: MARRIED Full name of spouse: MARGARET McEWEN HODSOLL

Name and ages of children: FRANCIS H.M. HODSOLL (16)

LISA-MONAISE HODSOLL (14)

Education:

Institution	Dates attended	Degrees received	Dates of degrees
YALE UNIVERSITY	1955-59	B.A.	1959
CAMBRIDGE UNIVERSITY	1961-63	LL.B	1963
		M.A.	1967
STANFORD UNIVERSITY	1960-61	J.D.	1964
	1963-64		
FOREIGN SERVICE INSTITUTE	1972	B.A. equivalent in economics	1972

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

NONE OF GREAT SIGNIFICANCE

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations for the last five years and any other prior memberships or offices you consider relevant.

Organization	Office held (if any)	Dates
N.Y. BAR ASSOCIATION		1965 - PRESENT
AMERICAN FOREIGN SERVICE ASSOCIATION		1966 - 80
YALE CLUB OF WASHINGTON		1969 - PRESENT
STANFORD ALUMNI ASSOCIATION		1964 - PRESENT
ZETA PSI FRATERNITY		1956 - PRESENT

Employment record: List below all positions held since college, including the title or description of job, name of employer, location of work, and dates of inclusive employment.

Deputy Asst. to President/ Dep. to Chief of Staff	President	White House	1981
Exec. Director White House/EOP Transition	James A. Baker	Off. of Pres.-Elect	1980-81
Staff Coordinator Reagan-Bush Debate Preparations	David Gergen	Reagan-Bush Campaign	1980
Dep. U.S. Special Rep. for Nonproliferation	Gerard Smith	State Dept.	1978-80
Member, Foreign Service Promotion Panel		State Dept.	1978
General Contractor two houses in McLean	Self		1977-78
Dir. Off of Law of the Sea Negotiations; Vice Chmn. NSC Interagency Group LOS	Elliot Richardson	State Dept.	1977
Dep. Asst. Secretary of Commerce for Energy & Strategic Resource Policy (Acting Assistant Secretary for Policy - January 1977)	Richard Darman	Dept. of Commerce	1976-77
Executive Assistant to the Under Secretary of Commerce	John K. Tabor James A. Baker	Dept. of Commerce	1974-76
Staff Dir. Secretarial Work-Education Task Force	John K. Tabor	Dept. of Commerce	1974
Director, Energy Conservation Division	Robert Shepherd	Dept. of Commerce	1974
Special Assistant to the Administrator	Russell Train	EPA	1973-74
Special Assistant to the Chairman	Russell Train	CEQ	1972-73

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Oceans Policy Officer Office UN Political Affairs	Stuart McIntyre	State Dept.	1969 - 71
Controlling Director	Self	Warner, Barnes & Co. Manila, Philippines	1964 - 71
Assistant Political Adviser Supreme Allied Commander Europe	Robert Brandin	SHAPE, Belgium	1968 - 69
Administrative Officer	Ralph Scaritt	American Embassy Belgium	1966 - 68
Associate		Sullivan & Cromwell New York, N.Y.	1965 - 66
Legislative Assistant to Congressman	Stuyvesant Wainright		1959 - 60
Second Lieutenant U.S. Army		Ft. Benning Ft. Ord	1959 - 60

Government experience: List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments other than those listed above.

NONE

Published writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

NONE

Political affiliations and activities: List all memberships and offices held in or financial contributions and services rendered to all political parties or election committees during the last five years.

STAFF COORDINATOR REAGAN-BUSH DEBATE PREPARATIONS 8/80 - 11/80

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Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

YES

2. State whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

N/A

3. Has a commitment been made to you for employment after you leave Federal service?

NO

4. Do you intend to serve the full term for which you have been appointed or until the next Presidential election, whichever is applicable?

YES

Potential conflicts of interest:

1. Describe any financial arrangements, deferred compensation agreements or other continuing financial, business or professional dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

NONE

2. List any investments, obligations, liabilities, or other financial relationships which constitute potential conflicts of interest with the position to which you have been nominated.

NONE

3. Describe any business relationship, dealing or financial transaction which you have had during the last five years whether for yourself, on behalf of a client, or acting as an agent, that constitutes a potential conflict of interest with the position to which you have been nominated.

NONE

4. List any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any Federal legislation or of affecting the administration and execution of Federal law or policy.

NONE

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items.

N/A

Senator STAFFORD. Thank you very much, Mr. Hodsoll, for a very good statement in my judgment.

If this committee reports to the Senate recommending your confirmation and you are confirmed, would you be available at the invitation of this or any other committee, without reservation, to appear in front of the committee in question?

Mr. HODSOLL. Absolutely, sir.

Senator STAFFORD. Do you know of any financial interest or economic interest that you or any immediate members of your family have that might cause a conflict of interest with respect to your duties as Chairman of the Endowment?

Mr. HODSOLL. I know of none, sir.

Senator STAFFORD. All right. Thank you.

The administration's original budget submission for the Arts Endowment for fiscal year 1982 suggested that the Federal policy for the arts "must be revamped to place more emphasis on the role of private philanthropy and State and local support." First, does this represent your view of the Federal role? Second, how would you propose to increase private philanthropy and State and local support?

Mr. HODSOLL. I believe we have to rely more on State and local, and particularly private, support. If I may, let me say by way of beginning an answer to this question, Mr. Chairman, that it has always been the case in America that the preponderance of support for the arts and humanities, and indeed a number of other institutions, has come from the private sector.

The budget reductions were not aimed at the arts or the humanities, but rather at the overall economic problems that face the country. When you look at the budget and the amount of the budget that is related to entitlement programs, and the amount of the budget—a small proportion, somewhat on the order of about a quarter—that is related to discretionary programs, the Endowments necessarily took a fairly large share of the cuts.

I think that with regard to how we can go about finding additional sources or private support, I might offer the following observations: First, as I read through the transcripts of the hearings of both the Senate and the House Appropriations Committees earlier this year, it seems to me that the primary statement made by most witnesses was that the Endowment for the Arts conferred a stamp of approval which in turn was helpful in raising private funds. In that regard, it seems to me that the stamp of approval can equally be conferred if the specific amount of money involved in a particular grant is less.

Therefore, I think what I would hope to do in terms of raising additional money would be to use Endowment funds, perhaps smaller amounts, as seed money to confer a stamp of approval and then use Endowment staff and get involved myself with the private sector to try to encourage additional, not simply redistribution of existing, private support for artists and arts institutions.

Senator STAFFORD. Thank you very much, sir.

Unfortunately, I am forced to leave for other engagements and depart for another part of the country. Senator Pell has kindly consented to continue the hearing and to ask the rest of my questions for me, and his own as well.

Mr. HODSOLL. Thank you, Mr. Chairman.

Senator PELL [acting chairman]. Just to correct the record and put those figures in on our earlier exchange, in 1965 all private philanthropy gave $205 million to the arts. In 1980 the total was $2.7 billion, so it had gone up more than tenfold. These are the total contributions of all private philanthropy. Then, as far as corporate giving goes, in 1966 $22 million came from that sector and in 1979 $435 million—or more than 20 times as opposed to 10 times for the total of private philanthropy.

These impressive figures may have had an impact on the task force's thinking because they started out with the idea that the largesse of the Federal Government had been responsible for limiting private giving. However, when they examined the figures they found exactly the opposite, that the public giving was but a fraction of the private giving. This is exactly the Federal role that Mr. Hodsoll has advanced and which we all believe should be the case. As I say, private philanthropy has increased more than tenfold and corporate philanthropy has increased more than twentyfold in the last 15 years toward the arts. And this is in very large part due to the catalytic influence of Arts Endowment grants.

Now I have some questions from our chairman that I will run through here, and then I will have some questions of my own. I would like to have a good record for us to refer back to in the future.

Mr. Hodsoll, you suggested that the Endowment, facing less Federal support, could help in building private support locally through the development of fundraising networks. How do you believe such an operation would fit into the structure of the Arts Endowment, and would such an effort be organized by arts disciplines on a geographic basis or in some other way?

Mr. HODSOLL. Well, this not all in concrete, to say the least. However, what I generally envisage is the following: that we could use Federal leadership, perhaps through an expanded Federal Council—and I know that there were questions on that, which I can perhaps deal with later—to organize nationally a series of committees which would have the function of assisting communities across the country to raise money locally.

Now, how would we do that? We need first to test the idea. I am not suggesting you go out nationally at the outset. However, assuming the test works out, here is approximately what at least initially we have in mind: there are many examples of very successful fundraising techniques which have been used, particularly in some of our larger cities. Those techniques are not always known or readily available to smaller communities. When I say smaller communities, I do not just mean rural small towns; I also mean parts of larger cities as well.

It seems to me that it should be possible to develop not only a human network but also an information network of the best available techniques for fundraising, and then in addition at the national level help to provide particularly worthy endeavors in towns with perhaps a name movie star or someone else who might help attract people and also support.

I think that we are going to need in this effort a great deal of help from the media, and I would certainly propose, if I am con-

firmed in this job, to try to work with the media—not only the national media but more importantly, perhaps, the local media—to try to encourage greater recognition of private philanthropy for this purpose and indeed for other purposes.

The thought would be that we would test this kind of concept in a few cities around the country and then, if it worked, essentially go national with it. In sum, those are our rough ideas and thinking at the moment.

Senator PELL. Are there any functions, in your view, that are currently undertaken by the Endowment in which you believe Federal Government involvement is inappropriate?

Mr. HODSOLL. I think that none of the current functions that I am aware of is inappropriate in principle. But I think we also need with limited funding—and there has always been limited funding, whatever level it is—to analyze what it is most useful for the NEA to do in relation to what it is most useful for other organizations or individuals to do. We need to pick and choose.

We need also, it seems to me, to a greater extent perhaps than in the past, to use the Endowment in its small way in its field more as a "bully pulpit." We need to encourage people to appreciate the arts, and it seems to me that the NEA is in a particularly good position to do this—not only with its Chairman and its staff, but also with its panel structure, in terms of interesting people around the country in the arts.

Senator PELL. I think you have touched on a particularly important point there because when we started in this work in 1961, I remember, the arts were accepted in some of our great metropolises but they were not really accepted across the length and breadth of the country. At that point, we were only able to get the legislation through the committee.

If you said your daughter was an artist or your son was a ballet dancer 15 years ago, you did not find the same acceptance that you do today. Now, after 20 years of this work, I think that the Arts Endowment has actually helped people accept and promote these careers and activities across the country so that you are proud of a daughter who is a harpist or an artist or your son who is a ballet dancer. The son of the President of the United States is a ballet dancer after all.

How can the Endowment help assure the pluralistic and diverse nature of the arts, which I think is a job that has been done very well in the last couple of years?

Mr. HODSOLL. I agree that it has been. It seems to me that it is a question of continuing the current system in which no one source of support for the arts dominates. This general principle was also recognized by our task force, and it almost goes without saying.

With regard to the Federal role, it seems to me that we need to maintain diverse personalities and diverse points of view at all levels of the Federal involvement, and by that I mean on the Council, on the panels, and on the staff. No one school of thought should dominate. What we will need help in is assuring that we are aware of all of the schools that are present in this country, which varies tremendously, as everyone in this room knows, from one coast to the other.

Senator PELL. What do you think should be the NEA's role in providing access to the arts, particularly in rural States? My chairman had suggested such a State might be Vermont. [Laughter.]

It is not Rhode Island, I assure you. [Laughter.]

Mr. HODSOLL. Well, I suppose that most of the States might have a great deal of rural countryside about. It seems to me that here, on the rural side, we need to use, to a greater extent perhaps than we have in the past, the State arts councils. It is very difficult in Washington to know which small town in the countryside wants to have a greater degree of artistic presence, and even more importantly, to know what that particular community needs or how to help provide that community with what it needs. I am reminded of a conversation I had with Senator Hatfield before this hearing, in which he noted the role of the Oregon State Arts Council in this respect in his home State.

Basically, to make this a bit more concrete, it seems to me that we need to once again—and this has been done in the past, I am not suggesting it is a brand new idea—but once again go out to our State arts councils and ask them to make a special effort to identify needs and ways of providing a greater degree of access, particularly in the rural communities.

In this regard the State and regional arts agencies and the National Endowment have started a project which is appealing to me. I do not know if it is going to work but certainly in principle it is a good idea. It is the national information systems project, which would essentially provide at the State level a computerized system which would assist States in assessing what arts organizations might be available to them, whether it be touring of a dance company or a museum exhibit or whatever. It seems to me that perhaps we can add to that and provide a way of helping rural communities to a greater extent to, one, identify what it is realistic for them to expect to be able to do on their own; and, two, then tap into first regional and then national networks of arts institutions that are prepared to tour. Incidentally, this would also help some of the more major or more metropolitan arts institutions, because it could help fill out their seasons, at least in the performing arts.

I wonder, Mr. Chairman, if I could add just one other point to this. It seems to me on the question of access that we also need to consider some of the—how shall I say it?—less advantaged parts of our major cities as well. I do not think one ought to confine this just to the rural towns. I think we need to look at both of these things.

Senator PELL. A good job has been in many places but more must be done in the disadvantaged areas of our cities and in the most rural areas of the country.

The Presidential Task Force on the Arts and Humanities recommended that the Endowment and State arts agencies, under the direction of the Federal Council on the Arts and Humanities, seek to work out a new Federal/State relationship. I read that report, but could not quite understand what they were driving at here. Maybe you could interpret it to me.

Mr. HODSOLL. Well, I am not sure I can, because I think what they were ultimately recommending was that the Federal Council take a look at this and study it. I think one of the toughest issues

facing the Endowment is to try to put a better definition on precisely what ought to be the respective roles of the Federal Government—that is, the Endowment—and the States. And I would add the localities, because the same kind of tension that exists between the Federal Government and the States equally exists, at least in most States, between the State government and the localities. I suppose it is also fair to say that arts institutions and artists really grow up in a locality somewhere. Sometimes it is not even a city; it might be just a neighborhood.

Therefore, I do not have a very good answer for you on this complex of problems. It is a complex of problems that applies to most Federal programs. We run into it in revenue sharing; we run into it in virtually every kind of program that the Government has. All I can say is that I am committed to look at it in the most systematic way that we can and then hopefully come up with a consensus as to improvements to the current system.

Senator PELL. Actually, as you know, the Federal Council on the Arts was included in the original enabling legislation of 1965, and after a long dormant period, it had a lively revival when Joan Mondale was the honorary chairperson.

The question is now how active the Federal Council will be. Who will be the Chairman, in your view? Who is the Chairman now? I should know but it has slipped my memory.

Mr. HODSOLL. At the moment I do not think there is a Chairman. Joe Duffy was the Chairman, and of course he is still the Chairman of the National Endowment for the Humanities. He resigned, it is my understanding, at the beginning of the administration—the chairmanship of the Federal Council, not the chairmanship of the Endowment for the Humanities. Therefore, right now the Council is in abeyance, so to speak.

Perhaps, if I may amplify on my answer, I think it was the idea of the task force—which has just completed its report—that it would be useful to expand the Federal Council to include private membership so that it could have a role not only in promoting the coordination of Federal programs but also in helping to catalyze additional private support.

I might just add for the record here that when I talk about catalyzing additional private support, I am not talking about bringing money into Washington. I am talking about helping people in localities raise money for the things that they want to raise money for.

However, coming back to the Federal Council, as a result of the task force's report, we are now in the process in the adminstration of looking at a possible legislative initiative in this area. It would essentially change the structure of the Federal Council—if the Congress were willing—to include private membership and add as one of its principal tasks the promotion of private sector support, especially at the State and local level.

We would also like to add private membership for another reason. Federal agency heads or their representatives may not be as able as people who are intimately connected with the arts and humanities worlds to make concrete recommendations as to how we can increase support in localities across the country. They may also not be as able to assess the state of the arts and humanities

and their economic needs and problems, which again will vary from one part of the country to the other.

Therefore, for all of these reasons we think that it makes some sense—and as the President said at the lunch at which he received the report—to explore with the Congress the possible modification and strengthening of the Council in this way so that it can take on these added responsibilities.

From my perspective, as a potential chairman of NEA, I would welcome that kind of national support at that level. I think it would help make the catalyst of NEA funding more real.

Senator PELL. I have an open mind on this question and have not really thought it through. Obviously it would require legislation as it would change the character of the Federal Council as we had originally envisioned it. Who do you visualize as the chairman if this change is made; I am not sold on the change, but if it is made?

Mr. HODSOLL. I do not know who the chairman will be. There have been——

Senator PELL. Is the Chairman appointed by the President—I forget—or is he elected by the other members?

Mr. HODSOLL. No. Under the current statute the Federal Council is, as you know, essentially an interagency committee created by statute. The Chairman of it is appointed by the President. Joe Duffy was appointed by the President.

Senator PELL. However, I think in fact the chairmanship is by rotation with the President making the pro forma appointment. However, I see——

Mr. HODSOLL. You may be right. I am not sure.

Senator PELL. All right, they say I am wrong so we will presume I am wrong in that. It is not by statute.

What would be the mix of private to public, in your view?

Mr. HODSOLL. My personal view is that perhaps one might have roughly the same number of private members as Federal members.

Senator PELL. Which would be more prestigious in the arts world, to be on that council or to be on the National Council on the Arts. [Laughter.]

Mr. HODSOLL. I haven't the foggiest idea.

Senator PELL. I was thinking about the competition for these jobs.

Mr. HODSOLL. Let me just add—and this is personal; I do not represent an administration view on this—if one did go in the direction of expanding the Federal Council for these purposes, one would also need to be careful to define a distinction between what the Federal Council would do and what the National Council on the Arts—and on the other side of the coin, the National Council on the Humanities—would do.

It would seem to me that what the Endowment's councils do now mostly is to recommend policy to the chairmen with regard to what kinds of arts and humanities projects, institutions, and individuals should be supported; to help the Chairmen set priorities with regard to what the Endowments should be doing; to look at specific projects which come in for grants and help the chairmen decide who should be funded and who should not be funded. As you know, there are many more applications than there are grants made.

It seems to me that the national councils should continue very much the work that they are doing in that area, and that their composition probably should reflect that task. What the Federal Council might be helpful in doing, if it had private members on it, is more in the direction of helping to raise support for the arts and humanities out there in the countryside and helping to—how shall I put it?—create additional pressure to make sure that the variety of Federal programs in these areas are conducted in a way that maximizes their impact.

Senator PELL. I think this will be a subject that we will have to talk a good deal about as we move along.

What do you think should be the Endowment's role in promoting the esthetic education of artists and audiences of the future? In the same connection, how do you believe the Endowment should encourage works by individual artists?

Mr. HODSOLL. Well, I think that there are a number of Endowment programs that go in this direction. For example, we have the artists in education program which provides for artists in the schools, which has as one of its principal objectives the raising of consciousness of the arts, particularly at the elementary and secondary school level. It seems to me that that is one technique.

Another technique is one that I mentioned earlier, that Endowment staff—and perhaps the Council and the panels—might take a more active role in advocating, if you will, the worthwhileness of the arts and thus raising artistic consciousness.

I think the second part of your question is more difficult—how one helps to develop better artists or more esthetics in the country at large. The Endowment has a small role in trying to help individuals, for example, who are emerging and are somewhere between school and becoming recognized. However, it is a very small role in fact given the numbers of people that one can award grants to.

I do not know exactly how one increases the esthetics in the country or makes sure that more artists of greater quality are available. One of the things I said in my statement that I would like to know more about is the conditions that were present in other countries and societies at times that are now historically recognized as great.

I have asked a number of people about this, and I have found no one who can identify anybody who has done a complete study on the subject. It seems to me that if we took a look at this issue we might have a better idea of how to answer your second question. The answer that I have at the moment is, I do not know.

Senator PELL. In connection with individual artists, there has been one thought I have had for many years that the Arts Endowment seems to have resisted, and that is to present these special grantees with some sort of certificate—to signify their award. What would be your reaction to that thought?

Mr. HODSOLL. It sounds like a good idea. We ought to explore it.

Senator PELL. It is cheap, and I think it would mean a great deal to these artists who receive NEA awards.

Thank you for answering these questions. Now I would like to touch on financing for the moment, funding. Here, as you know, the conferees on the Interior appropriations bill made a very positive decision by approving a figure of $149 million for the Arts

Endowment. What is your own reaction to this figure, and is it your intent to authorize spending at the level of funding that Congress appropriates for the endowment?

Mr. HODSOLL. That is a hard question——

Senator PELL. I read your answer to a similar one from Senator Kennedy and I could not understand the answer. [Laughter.]

Mr. HODSOLL. Well, then, I had better not read my answer to Senator Kennedy. Let me try to paraphrase it in another way.

First of all, the basic principle is there ought to be adequate levels of Federal funding for the Endowment. That goes without saying. What is an adequate level is not clear to me. I really do not know.

When I went through the transcripts of the appropriations hearings last spring, I came away largely confused. Basically, as I mentioned earlier, it seems to me that if—as seems to come through in these transcripts—one of the principal things that the Endowment does is to confer a stamp of approval, then it also seems to me that if you add the ingredient of helping people to raise money privately, the actual level of Endowment funding may not be that important.

Let me come down now to your specific question regarding what the conference voted out. I have not seen the report yet, and I have been sort of getting bits of information on it orally.

My understanding is as follows: One, that the reconciliation bill, which the Congress adopted earlier this year and the President signed, produced an authorization for the Endowment of $119.3 million. Perhaps I ought to back up and say that the President in his earlier budget in March had proposed an appropriation of $88 million, approximately.

Now the problem that the administration is going to have with the conference report on the Interior appropriations bill has less to do with the specific level of funding of the Endowment for the Arts than with the fact that that appropriations bill came in at roughly $2 billion over the President's budget, and the NEA budget was over reconciliation which the Congress and the President had earlier adopted a limit on authorization, which normally appropriations fit under.

Our problem is not so much any specific program as it is meeting the general objective, which I think has been largely agreed by Congress, of trying to reduce the budget deficit. Of course, this objective is motivated because of our principal concern—and I think that almost everyone would agree it is also the principal concern of the American people—of reducing inflation and making the economy better.

Therefore, I think with regard again to your specific question, that we are going to have a rather negative view on that particular appropriations bill. However, I leave the specifics of that to my colleagues at OMB and other parts of the administration.

Senator PELL. Well, let me refine the question a little bit or basically repeat it: Is it your intent to authorize spending in the particular agency under you at the level of funding that is appropriated? What is your intention? Obviously if you are forbidden to do so by OMB, or if you are forbidden to do so by our President, you have no choice, but I am asking for your intention.

Mr. HODSOLL. My intention, Senator, is that if an appropriations bill is passed by the Congress and signed by the President, and there are no requests in for deferral or rescission, it would be my intention to go ahead with the program. That is the law of the land, and that is what I will do.

Within the Federal Government, as most agency heads, I will certainly want to be someone who makes sure that the arts get their fair share. There is no question about that, though I am also very mindful of the economic problems that we have. Needless to say, I would not be here if I did not fully sympathize with what the President is trying to do with regard to that.

Senator PELL. You are in a difficult position because you are coming from the White House, where there is overriding concern with the budget, as you point out. However, I am glad that it would be your intent, provided that there are no orders for rescissions, to spend at the level of the appropriation. I appreciate your reply in that regard.

Another question I have, which we touched on earlier, has to do with your previous experience. You have had no previous experience specifically in the arts. How do you intend to supplement that? Will you bring in some professionals there or make use of some of the professionals who are already at the agency?

Mr. HODSOLL. I am glad you asked that because that was your second point in your statement.

Senator PELL. Right.

Mr. HODSOLL. Yes, absolutely. I am fully cognizant of my own deficiencies as to not having been involved in the past in arts administration.

It seems to me that it will be very important for me to be able to attract, particularly for the Deputy Chairman for Programs, the very best person that I can induce to come to Washington in these times who has a reputation and a proven capacity in the arts world. That is my goal.

With regard to the other staff, in particular the program directors who really are the hub of the NEA, it is my intention—and this is agreed by everyone as far as I know—to have the best people from those disciplines to run those programs. I have a number of positions to fill, as you know, in that regard. We are going to have to do a major recruitment to see who we can attract.

Senator PELL. In regard to the various budget accounts, following up this thought, you have program, treasury, and challenge grants. That is correct, isn't it?

Mr. HODSOLL. Administration is the other one.

Senator PELL. Administration, yes. Do you intend to keep the present proportions allotted to each of these accounts?

Mr. HODSOLL. Well, there are a wide variety of views about some of the proportions. I have not seen the conference report, so I do not know where the Congress has most recently come out in that regard. I mean, for example, there are the questions of whether if you have a reduced budget you hold State programs harmless; whether you need, as was originally suggested, an increased administrative budget because of the number of applications, or whether you can streamline to some extent and save on the administrative side.

Within the programs themselves, there are a number of questions as to where the cuts should be taken. Liv Biddle, who is currently Chairman, has had a rather mixed approach. That may well be appropriate to the different programs, as to how you allocate amongst them.

One of the things that particularly stands out in my mind, however, is the major issue that hangs over one of the accounts that you mentioned, and that is the challenge grant program, which it is proposed—if the budget were to come down to the $88 million level—would only be funded at $2.5 million for fiscal year 1982.

That is in part a function of the question of what you do with challenge grants in the next round—whether you go to a second round of challenge grants with the major institutions or whether you move—as indeed they were moving a little bit at one point—to smaller institutions, or whether you do a mix of those. Therefore, to some extent the answers to the allocation among the different program accounts depends on a better analysis, at least by me, of where the needs are.

Senator PELL. Then you always have this problem in times of budget cuts: Do the cuts come out of personnel or out of programs? I have seen, for instance, in the cultural exchange programs in which I know you have an interest, that Mr. Wick at ICA has made the decision to take money out of the programs and not out of personnel.

That is an easy road out because you are surrounded by the people you feel sorry for but the important national interest is in the program areas. I would hope that if there are cuts to be made you would be very evenhanded in that regard. I think we are making a mistake in the exchange programs in cutting them back and leaving the personnel structure untouched.

Do you visualize a stronger emphasis on major institutions and a lesser emphasis on emerging or smaller institutions? In other words, will the Metropolitan Opera be more likely get what it has been getting as opposed to the Anacostia Museum.

Mr. HODSOLL. I do not know the answer to that question. Right now I believe the breakdown is roughly two-thirds of the available money across the board to nationally recognized institutions.

Senator PELL. I made an inaccurate statement. I was just reminded Anacostia is part of the Smithsonian, and therefore ineligible, so that was a poor example, but——

Mr. HODSOLL. A similar example. I think that right now roughly two-thirds of the Endowment's moneys go to what might be called the more major institutions and one-third to the smaller institutions. On the other hand, the argument is made that the money is particularly important for the smaller institutions because they have less access to other sources of funding.

I think that I am going to have to know a bit more before I make any changes in this regard. I do not know whether changes are warranted or not. Let me just say this: I think that you have to do both.

Senator PELL. I believe that the Endowment is already starting to negotiate with OMB—an old Washington custom—for its fiscal

1983 budget. Have you participated in those negotiations, and what will be your posture in them?

Mr. HODSOLL. I have not participated in those negotiations. My posture will be to learn a bit more before I leap in on them. I think that also we will want to look rather closely as to how we come out in our congressional discussions in the fiscal year 1982 budget as a base of knowledge on which to be rational about fiscal year 1983.

Senator PELL. By that time, as I say, I hope you will have acquired an acute case of "turfitis" and that you will press your views.

Now Livingston Biddle did a good deal to encourage more active participation by the National Council in formulating policy. Would you plan to do that, or how do you visualize your role as Chairman vis-a-vis the Arts Council?

Mr. HODSOLL. Well, I would certainly hope that I could tap the Arts Council extensively. Represented on that Council are people who know a lot more about the arts than I do.

Senator PELL. Some not. The next question I am coming to is, How are you going to make sure that the universal quality in the Arts Council is kept as high as possible? In general I would agree with you but it is also a delightful place to put political supporters who are not necessarily strong in this field. [Laughter.]

I would hope you would do your best to keep the quality as high as you can. There is nothing wrong with being a political supporter of either party but I would hope that anybody who is appointed to the Council has really earned his or her spurs in their local State or nationally. Will that be your intention?

Mr. HODSOLL. I will do my best, certainly, Senator, to keep the quality of the Arts Council as high as possible. That is very much in my interest.

Senator PELL. Very much indeed, and you will find a perpetual contest with the White House on it. That is why I am glad you are coming from there. You can put in your list and find each name removed before you are through, but I hope you will fight hard for your list, in which I have faith.

Now the expansion arts program supports many highly qualified arts institutions which have trouble attracting corporate support. What is your own intention with regard to this tiny but emblematic effort? Are you familiar with the expansion arts program?

Mr. HODSOLL. I am, in a general sense. I think that the objectives of the expansion arts program are extremely important and they have to be a part of what the Endowment is about. There is no question that one of the goals in this country is and will be to assist the disadvantaged and the smaller institutions who really have very little access to major sources of support.

I might add to that that the expansion arts program has been particularly successful in the past, at least in some of its projects: witness the Arthur Mitchell Dance Company; witness the Theatro Campesino in California.

I think that at the same time one has to make sure that what the Endowment does generally is based on the attempt to encourage a wide diversity of excellence in the arts, and that perhaps its mission is more directed in that direction. I think that I will want to look at the expansion arts program to be sure that indeed it is

fulfilling that mission as I see it, and that means, I might say, to encourage and to help those artists and arts institutions from the minority communities which are perceived as embryonically excellent but not yet recognized.

Senator PELL. Thank you.

As you know, the outgoing Chairman of the Endowment worked for my staff and on this committee for a number of years, and there were those who charged that politics played a role in his becoming Chairman of the Endowment. I think those charges came from those who either wanted his job or had an ax to grind but since you are moving to the same post directly from the White House staff, how will you answer these same charges which will, I am sure, be leveled?

Mr. HODSOLL. I am sorry, Senator, the charges as to what?

Senator PELL. The possible charges that politics have played a part in your appointment. Since you are coming from an even more political background than Mr. Biddle did, I was wondering how you would handle that particular, and I think usually sour grapes, criticism.

Mr. HODSOLL. Well, I hope it will be just sour grapes in my case. I view this program as not a partisan program. I hope in my substantive staff in the Endowment to pick people because of excellence, not because of party affiliations. That is the way it has been done in a variety of administrations in the past.

It is certainly my intention to continue the panel systems which, as you know better than I, involve peers from the various disciplines without regard to party but with regard simply to the merit of those particular people's ability to choose. We will continue that. This program will be run on the merits.

Senator PELL. Good. I might come back to the panels in a moment but I remember, if my recollection is correct, that your predecessor made a commitment to us at the time of his confirmation that, if asked, he would accept reappointment to a second 4-year term. He felt that no Chairman should serve for more than two full terms. Would that be your view?

Mr. HODSOLL. My goodness. [Laughter.]

Senator PELL. It is a long way off.

Mr. HODSOLL. It seems a long way off.

Senator PELL. It is, at least 8 years off. However, it was on the record with Liv Biddle and I wanted to get it on the record with you.

Mr. HODSOLL. Well, I certainly have no thoughts that even go into the second term, let alone into a third term. I certainly have nothing against what you have said. I have not even thought about it.

Senator PELL. Right.

Mr. HODSOLL. I very much doubt, I think it is most improbable that you will see me trying to perpetuate myself through the decades in this job.

Senator PELL. For political reasons it may very likely be one term, too. I recognize that.

Mr. HODSOLL. I, too. [Laughter.]

Senator PELL. However, just in case.

Mr. HODSOLL. Just in case, all right.

Senator PELL. Now coming to the panels for a moment, is it your intention that the memberships of those panels be published and available to the public prior to the grant awards?

Mr. HODSOLL. You mean the membership of the panels?

Senator PELL. The membership in the panels, yes.

Mr. HODSOLL. How is it done now?

Senator PELL. There has been a perpetual dispute on this between the Endowment and the Congress. I think now they publish the names afterward. As of now it is published afterward, and my hope is that you might see fit to publish the names beforehand but you may not want to answer this question at this time, either.

Mr. HODSOLL. I appreciate that. I do not know enough about it. I do not have any objections to what you are saying but I ought to find out what the history is on the other side of this. I just do not know.

Senator PELL. You will find that the argument is made that you cannot get people to serve because they are exposed to pressure, et cetera, et cetera. However, at the same time this is an open society, and to be a member on a panel, though a chore, is also a great honor, and panelists should be willing to take the same hassle that all of us take in our political work or that you will take as Chairman. I would hope you will give thought to letting those lists be published beforehand.

Now when it comes to the composition of these panels, I would hope you will make sure they are as diverse as possible, with representation from minorities, and in general to have a great diversification and varying viewpoints. For example, a fair mix between representational and abstract exponents on the visual arts panels.

I think as of now the mix there is pretty even. It started out by being weighted very heavily in favor of the abstract, so that the representational artist felt he never had a fair shake. In this regard, I would commend to you the organizations that represent the representational artists, who really have a story to tell. They have not always been listened to by the Endowment.

Now I would like to touch for a second on museums. How do you visualize your relationship with the Museum Services Institute?

Mr. HODSOLL. I know that is a subject on which there are a variety of views. I think that, first, I do not have any fixed view as to the Institute for Museum Services. It seems to me that we have a variety of museum programs—in the Smithsonian, in NEA, in the NEH. The Institute for Museum Services of course takes a different perspective in providing operating support to museums.

As one of my first tasks, I would like to look—in t' context of the Federal Council—at the variety of museum programs that are available and then hopefully come up with some recommendations as to how they can best be structured. It seems to me it is a management question.

I recognize that there are different parts of the Congress, shall we say, who have different interests in it. However, it seems to me that one of the things we might do is take a look at it and come up and consult with you and others, and see if there is any benefit in relation to cost in consolidation.

Senator PELL. My understanding is the President will be recommending Mrs. Lilla Tower to be the Director of the Museum Services Institute. I have talked with her at length, and I think she will bring to it enthusiasm and good administrative abilities and will do a fine job.

So many of these things, I guess, have emerged from my legislation, like the arts in education program for example. That came out from Senator Kennedy and myself. I am interested in the broad museum picture and see it as a whole, while you see the Endowment's portion primarily.

On museums I had two acts: One was called the Museum Services Institute Act and the other was called the National Museum Act, which is housed within the Smithsonian. They should both be under the same roof, and some day I would hope to see these two programs moved together.

I seem to be the only person or one of the few people to have responsibility for all of the different threads—or used to, when I was in the majority party. Now somebody on the administrative side of the Government, and it probably should be you or the Chairman of the Federal Council on the Arts, should also keep an eye on all the different functions that are going on in this field of the arts.

Coming back to museums for a moment, how do you visualize conservation? Will you be playing a role in the Arts Endowment on encouraging conservation? As you know, we lose more objets d'art each year than we create because of the eroding effects of climate and light.

Mr. HODSOLL. I think we certainly should encourage conservation.

Senator PELL. I do not think you are now, though, in the Endowment. I may be wrong.

Mr. HODSOLL. I do not know whether there is a specific program, although I believe some of the museum programs move in that direction. I am not sufficiently familiar yet to be able to tell you; but as a general national objective, we clearly ought to encourage conservation and preservation. There is the National Historic Trust, of course, which gets into this question of preserving things of worth.

In fact, as you know, the NEA's folk art program is very much into this in terms of preserving projects and artists and art elements that represent particular cultures at a particular point in time, and I am very impressed with that program.

Can I make a point?

Senator PELL. Please.

Mr. HODSOLL. It is something that you mentioned earlier, Senator. I just want to get on the record that I fully agree with the need to look at the wide variety of programs that are available in the Federal Government that are arts-related, and that this ought to be a principal task of the Federal Council, expanded or as it is now, either way. It is certainly a principal interest of mine.

One of the things that I did while I was in the White House was to get my assistant to pull together—no one had done it before, at least not in quite the way that we did it—the budget information and how these budgets had been line-itemed in the past across the

board. It is quite extraordinary when you look at it, the wide variety of programs that are available, from urban development action grants, to art in subways administered by the Department of Transportation, and so on.

It seems to me that with the budget constraints that we are faced with—and when I say "we" I mean the Government as a whole, not just the NEA—that it would be useful to take a look at this array of programs and see if there is a way within the budget constraints to package them in a more efficient way. I do not mean just the optics of packaging; I mean also the management of the programs.

Senator PELL. Right.

Mr. HODSOLL. Therefore, that is something I hope to look at.

Senator PELL. Your mentioning the performing arts reminds me of the fact that this was really part of the original core proposal. Senator Javits years ago suggested a foundation for performing arts, in the late fifties, at the last time when the Republicans were in control. It was a good idea, and then in 1960 I came to the Congress and I wanted to see it enlarged to include the visual arts, and after 5 more years of quite selling, the Arts Endowment finally emerged.

At that time, as you know, we had no political clout except in a very few States. The Arts Endowment rode in piggyback on top of the Humanities Endowment because they had an effective network of State universities already in place in the 50 States to back up the humanities proposal.

That is the reason for the difference in composition of the arts councils and the humanities committees across our land and, to my mind, the reason for the fact that the humanities have lagged behind the arts in the years since. You can ask anyone in a distant State, "Who is the head of the arts council," and usually they know if they are reasonably well educated. "Who is the head of the humanities committee?"—and they rarely know.

I would hope that you would keep up pursuing the composition that we were able to establish, whereby the arts councils in the States are very politically elected. They become part of the warp and woof of the political process in the State. The humanities have never done this with their somewhat antiseptic approach. The appointments to their committees is a private procedure which risks being a "closed circle" arrangement. Only four members are appointed by the State Governor.

I think you have a great strength here and that you ought to visualize your arts councils as being your opponents sometimes but more often as your best allies across the country. I would hope that you would develop an even closer—and I think Mr. Biddle has done an excellent job in this regard—relationship with the State arts councils because they are your army across the Nation. They are a very important and strong army.

Now another question is the question of an art bank. Senator Williams has brought this subject up in the past. Many other nations have such a program. I was trying to think of a program that would meet the sine qua non of not costing much money and at the same time being really very useful. An art bank would very much fulfill these requirements, with its administration by you as

the Chairman of the Endowment; and the actual keeping of the objets d'art by GSA. Perhaps a stipulation could be added that would require the contribution of a work of art to the program by each artist; I hope you will give some thought to really developing an art bank that would be able to send works of art around the country.

As you probably know, any new Federal building or a renovated one is eligible to participate in GSA's art-in-architecture program—which permits one-half of 1 percent of the cost to go for an "arts element." I am trying to get my building in Rhode Island involved with the program.

Senator PELL. Therefore, I would hope you will give thought to this idea of a bank, and perhaps be the lead fellow in developing it. It would not cost much money. You would not be buying the art. It would just be a question of keeping tabs on it and distributing it. If you have a reaction to these thoughts I would be very interested.

Mr. HODSOLL. I do not at the moment, but I would perhaps like to see—if Senator Williams has a piece of paper on it—I would like to see how it would work.

Senator PELL. We will send you along a copy of his bill, which he introduced last year, and get your reaction on it.

I think we have pretty well covered the waterfront in this hearing. I am delighted we did. On behalf of Senator Hatch and Senator Kennedy of the full committee, and Senator Stafford, chairman of the subcommittee, thank you very much for being with us. I look forward to voting for you, supporting you, and working with you and occasionally arguing with you over the next few years. Good luck.

Mr. HODSOLL. I really look forward to that, Senator. Thank you very much.

[Material supplied for the record follows:]

EDWARD M. KENNEDY
MASSACHUSETTS

United States Senate

WASHINGTON, D.C. 20510

November 2, 1981

Mr. Francis Hodsoll
Deputy Assistant to the President
The White House
Washington, D.C. 20500

Dear Mr. Hodsoll:

The Labor and Human Resources Committee, of which I am a member, will soon be considering your nomination as the new Chairman of the National Endowment for the Arts.

As part of these confirmation proceedings, I would appreciate having your answers to the attached questions regarding future policy on the arts.

I look forward to hearing from you and thank you for your time and assistance in this regard.

With my best wishes,

Sincerely,

Edward M. Kennedy

THE WHITE HOUSE

WASHINGTON

November 5, 1981

Dear Senator Kennedy:

Thank you for your letter of November 2 attaching questions regarding future policy on the arts.

Enclosed are my responses to those questions. In some cases, my views are preliminary; but I believe the answers will give you a general sense of my inclinations.

I obviously have a lot to learn, but would look forward to continuing interaction with you and your staff on the issues. I know there are a wide number of Senators interested in the arts, and in particular the Endowments.

Please let me know if you wish any further information.

Kind regards,

Sincerely,

F.S.M. Hodsoll
Deputy Assistant to the President

Honorable Edward M. Kennedy
United States Senate
Washington, D.C. 20510

Enclosures

P.S. I also enclose, for your convenience, a copy of my prepared statement before the Committee.

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1. Q: The Administration request earlier this year for a 50% reduction in federal spending for the arts met with understandable alarm and opposition. The Congress deliberated carefully and thoroughly on this request and assessed that this reduction would be excessive. This Committee, the Interior Appropriations Committee, and the full Senate have all repeatedly endorsed higher levels of spending for the Endowment. The Endowment has earned and enjoyed bipartisan support from the Congress since its inception and is highly valued as an efficient and respected federal agency.

   Do you accept the Congress' consensus regarding adequate levels of federal funding for the Endowment?

   A: I support adequate levels of federal funding for the Endowment. It is not, however, clear to me at this time what adequate is. On the other hand, it is clear that we have a general need to reduce the federal budget; this was agreed by the Congress in the Reconciliation Bill signed by the President earlier this year. The NEA received authorization in that bill of $119.3 million for FY 82.

   Reducing inflation and improving the economy as soon as possible is as much in the interest of artists and arts institutions as it is of other sectors of our society. Reducing the budget deficit is agreed by both Congress and the Administration to be an important factor in achieving this objective.

   I understand the Senate-House Conference the day before yesterday on the Interior Appropriations Bill produced appropriations significantly over the President's budget proposals. The amount allocated to NEA was similarly significantly above the President's budget. Since this Conference action jeopardizes achieving our economic objectives, it gives us serious concern.

2. Q: Further, it is generally agreed that the Endowment has been successful in generating private support for the arts. There is no evidence that reduced federal support will not create an accompanying reduction in private support, particularly in view of the recently passed Economic Recovery Tax Act that includes significant disincentives for charitable giving.

   What means do you plan to employ to encourage private giving to complement the federal support for the arts and to insure that the legitimate funding needs of our cultural organizations are met?

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A: I plan primarily to use federal leadership and assistance to communities in employing the best available techniques for private fundraising.

In the course of the deliberations of the President's Task Force on the Arts and Humanities, a considerable enthusiasm was generated among many of the individual and corporate philanthropists represented for assisting communities in this respect. I would envisage successful fundraisers from major metropolitan areas helping smaller communities as a part of a network. We would hope, as a part of an expanded Federal Council, to help establish such a network. NEA funds can be used, as they have been in the past, to help catalyze additional private support -- perhaps with increased matching.

The disincentives for charitable giving in the Economic Recovery Tax Act involve past evidence that people give more to achieve tax benefits than because of additional disposable income. Since individuals who normally account for the bulk of private giving to the arts are now likely to have additional disposable income, it should be possible, with leadership, to raise additional money. There is also, in my view, room for considerable improvement in corporate giving.

3. Q: The President's Task Force on the Arts and Humanities has recognized in their report the need for a strong federal commitment to the arts. Although some changes have been recommended, the Task Force has essentially endorsed the existing structure of the National Endowments, and leadership roles for the Chairmen and National Councils.

Do you support the recommendations of the Task Force in this regard and do you intend to pursue a course that will implement the recommendations of the Task Force?

A: I generally support retaining the existing structure of the National Endowments, including the panel review system, separation of the two Endowments, and leadership roles for the Chairmen and National Councils. This is not to say, however, that there may not be room for fine tuning and some organizational simplification. I do not have any fixed views on this at this time. But, I do not envisage any such improvements fundamentally changing the existing structure.

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Q: Can you assure the Committee that you will not seek a path that would dismantle the existing structure of the Endowments?

A: I assure the Committee that I will not seek a path that would dismantle the Endowments' existing structure.

Q: For example, I am concerned with calls for a "revitalized" Federal Council. Would you support a role for the Federal Council that would interfere with policy and administrative decisions of the Endowment Chairmen and National Councils?

A: I would not support a Federal Council role that would interfere with policy and administrative decisions of the Endowment Chairmen and National Councils. But I can see great merit in a revitalized Federal Council which could help the Endowment Chairmen and the National Councils achieve the objectives of the Endowments as set out in the National Foundation on the Arts and the Humanities Act.

In this respect, private sector membership on the Council could be useful--particularly to promote private sector support. It would also, in my view, be useful for the Federal Council to undertake independent analysis of the economic needs and problems of the arts and humanities and the relationship of these needs and problems to the private sector. Finally, a revitalized Federal Council should be more effective at assuring coordination of federal programs.

Q: Do you agree that it is essential that the Federal government speak with one authoritative voice on national arts policy and that this voice should be that of the Endowment and its Chairman?

A: The Endowment and its Chairman should be an important voice in the arts. On the other hand, the National Foundation of the Arts and the Humanities Act, which creates the Endowments, notes that art and scholarship are primarily a matter of private and local initiatives and that the Endowment should give emphasis to "American creativity and cultural diversity." It is, therefore, not clear to me whether "one authoritative voice on national arts policy" is desirable or feasible.

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a. Q: What kind of changes do you foresee for the National Council and what types of changes would you recommend for the membership of the National Council?

A: I do not foresee any changes for the National Council. I understand this Administration will have the opportunity to appoint eight new members in September 1982.

b. Q: How would you view the appointment of a private citizen to be Chairman of the Federal Council?

A: If the Congress agrees to expand the Federal Council to include private members, I could see merit in the appointment of a private citizen as its Chairman. This would emphasize the private-public partnership in the arts and humanities.

c. Q: Do you see any possible conflicts in the recommended Presidential fellowship system and the individual grants program of the Endowment?

A: The Task Force's recommendation of a Presidential Fellows in the Arts and the Humanities program was not intended necessarily to supplant individual fellowship programs at the Endowments. The recommendation was, as I understand it, designed to advance the principle of support for individuals on a nation-wide basis. The Task Force noted the demise, in the humanities, of foundation support for scholars formerly provided by the Woodrow Wilson, Ford and Danforth fellowship programs.

d. Q: Would you favor a merging of the Endowments with the Institute of Museum Services to centralize national cultural policy?

A: There may be management benefits to consolidating to a greater extent the various federal museum programs. I am not yet in a position to evaluate whether these benefits outweigh potential costs. With regard to the Institute of Museum Services, we should consult with concerned members of the Congress and of the museum community.

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4. Q: Any time of change is certain to be accompanied by feelings of uncertainty and anxiety. So it is not unexpected that the constituency of the National Endowment would seek reassurances regarding continued commitment to important programs of the Arts Endowment and a national cultural program pledged to excellence, diversity and accessibility.

In my home state of Massachusetts, which is traditionally generous and enthusiastic in its support of the arts, people have spoken to me of deep concerns for the future of the Arts Endowment.

Mr. Allan Cummings of Melrose, Massachusetts wrote that "Congressmen are always saying that blue collar workers -- I guess that's me -- I am a steel welder -- don't like Opera, Ballet, Music and Paintings, that those things are only allowed for persons who can pay for them. It's a lie about (not) wanting these beautiful things in our life... Give us back Music and Ballet and Opera and Pictures. Give them money to keep going so we can enjoy them."

On behalf of the concerned individuals in Massachusetts and across the country, I ask your views concerning the Endowment's continued commitment to program funds for state arts programs, expansion arts as well as support for smaller theatres and organizations who depend so heavily on federal help to keep them alive.

A: The National Foundation on the Arts and the Humanities Act expressly provides for grants-in-aid to assist the several states. We should continue support for these programs. We also need to continue support for smaller artistic organizations who demonstrate the potential for excellence. We should, in this context, make a special effort to help the disadvantaged.

5. Q: The Northeast Assembly on the Future of the Performing Arts convened in New Haven, Connecticut recently to consider national policy to support a healthy environment for the arts. This group of arts professionals called for a "national understanding" of the role of the arts in our society and the importance of an appropriate level of direct support and leadership in developing and maintaining this role.

In what ways do you feel that the Endowment, yourself as its Chairman, and the President can help to promulgate such a national understanding of the importance of the arts in America?

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A: I would hope as Chairman to assist in developing greater appreciation of the importance of the arts to our country. There is no question, in my mind, that nations are more often remembered for their artists and other cultural creativity than perhaps for any other single attribute. Equally, it is art which brings joy and meaning to people's lives--rich or poor.

As that great former French Minister of Culture, art historian, novelist and philosopher, Andre Malraux, has noted in his landmark work "The Voices of Silence":

> "Humanism does not consist in saying: "No animinal could have done what we have done," but in declaring: "We have refused to do what the beast within us willed to do, and we wish to rediscover Man wherever we discover that which seeks to crush him to the dust." A man becomes truly Man only when in quest of what is most exalted in him; yet there is beauty in the thought that this animal who knows that he must die can wrest from the disdainful splendor of the nebulae the music of the spheres and broadcast it across the years to come."

We need to use national leadership to enhance appreciation of the arts. The President can help; he has already, I believe, with the creation of his Task Force and his words on receiving its report. I would plan, as Chairman, to travel, and hopefully use the media, to this end.

Senator PELL. The hearing is adjourned.

[Whereupon, at 12:25 p.m, the committee recessed, to reconvene at the call of the Chair.]

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